

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 203 – HB 492

March 15, 2015

SUMMARY OF BILL: Authorizes the Tennessee Wildlife Resources Agency (TWRA) to issue free sport hunting and fishing licenses to Tennesseans who have any military service-connected disability, rather than to Tennesseans who have a 30 percent or more military service-connected disability.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue - \$226,800/FY15-16/Wildlife Resources Fund
\$222,500/FY16-17 and Subsequent Years/
Wildlife Resources Fund**

Foregone State Revenue - \$725,800/Recurring/Wildlife Resources Fund

**Increase State Expenditures - \$73,600/Recurring/General Fund
\$23,700/Recurring/Wildlife Resources Fund**

Decrease Federal Funding - \$73,600/Recurring/Wildlife Resources Fund

Assumptions:

- According to the information received by TWRA, the average Tennessee hunting and fishing license was purchased for \$37.78 in FY12-13.
- According to the information received by TWRA, the prices of Tennessee hunting and fishing licenses have recently been raised by 22 percent. As a result, TWRA is assuming \$46.09 per license.
- All license fee revenue is allocated to the Wildlife Resources Fund (WRF); costs associated with issuing licenses are paid from the WRF.
- According to the information received by TWRA, there are 91,647 disabled veterans in Tennessee and 7,500 disabled veterans, or eight percent of all disabled veterans, have active lifetime licenses under current law. The provisions of the bill will be applicable to 84,147 disabled veterans (91,647 – 7,500) in the state.
- Based on the information received by TWRA, approximately 25 percent, or 21,037 (84,147 x .25), are estimated to pursue the free license each year.
- Of the estimated 21,037 that will pursue the free license each year, it is estimated that 25 percent, or 5,259 (21,037 x 25%), would have purchased the license under current law and paid the licensure fee. When applying the ratio of disabled veterans who currently qualify for a reduced license, it is estimated that 421 veterans (5,259 x 0.08) would

qualify for a \$10 discounted lifetime license and 4,838 (5,259 – 421) would have to pay the full \$46 annual license fee.

- As a result, the decrease in state revenue to the WRF in FY15-16 is estimated to be \$226,758 which includes:
 - \$4,210 for those currently eligible for a one-time discounted fee (421 x \$10); and
 - \$222,548 for those disabled veterans who would seek licensure under current law (4,838 x \$46).
- The recurring decrease in revenue to the WRF in FY16-17 and subsequent years is estimated to be \$222,548.
- The remaining 75 percent, or 15,778 disabled veterans (21,037 - 5,259), will only obtain the license as a result of this proposal. Therefore, the recurring forgone state revenue to the WRF is estimated to be \$725,788 (15,778 x \$46).
- Based on information received from TWRA, the cost to produce an issued license is estimated to be \$1.50. The recurring increase in state expenditures from the WRF is estimated to be \$23,667 (15,778 new licenses issued x \$1.50 cost).
- According to TWRA, for each license that is purchased under current law, an apportionment of \$14.00 is drawn from the federal government pursuant to Wildlife Restoration Funds (Pittman-Robertson) and Sportfish Restoration Funds (Dingle-Johnson). According to the TWRA, it will not receive this federal funding apportionment applicable to the licenses that would be issued under current law, but issued free of charge pursuant to this proposal. As a result, there will be a recurring decrease in federal expenditures, and a recurring increase in state expenditures (because the state will have to replace this federal funding from state appropriations), both estimated to be \$73,626 (5,259 licenses x \$14.00).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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